Low production of cotton thread and cotton clothes

†389. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI SHIVANAND TIWARI:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that it has been estimated that production of cotton thread and cotton clothes will be low by approximately ten per cent in the country during the current financial year;

(b) if not, the details in this regard;

(c) whether it is also a fact that there has been decrease in the production of clothes and thread and export due to higher prices of cotton in the country this year; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) No, Sir. There is a marginal decline of 1.40% in respect of Cotton yarn and 0.68% in respect of cotton fabrics during the current year (Apr.-Dec).

(c) No, Sir.

(d) Does not arise in view of above.

Handloom Cluster Development Scheme at Varanasi

390. SHRI MAHENDRA MOHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether the Comprehensive Handloom Cluster Development Scheme at Varanasi provide raw material support, design inputs, up-gradation of technology, infrastructure development, marketing support, welfare of weavers etc.;

(b) if so, what is the status of this scheme and how many weavers/artisans have been benefited out of this scheme in Varanasi;

(c) what is monetory support extended in this regard;

(d) the details of self help groups working in the area given financial assistance and to what extent; and

(e) whether Government will extend this scheme to all weavers of Uttar Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (e) The Comprehensive Handloom Cluster Development Scheme (CHCDS) has been recently introduced by Government of India. The scheme will cover about 25,000 handlooms in the Varanasi Mega Handloom Cluster, benefiting about 50,000 handloom weavers. The scheme

†Original notice of the question was received in Hindi.

will cover only the weavers of the Varanasi. The Cluster Management and Technical Agency (CMTA) has been engaged for technical and managerial assistance on 'concept' to 'commissioning' basis. The Cluster Management and Technical Agency has submitted the diagnostic study report of the Varanasi Mega Handloom Cluster. So far, no financial assistance has been released under the said Scheme.

Textile companies facing reduction in overseas orders

391. SHRI GIREESH KUMAR SANGHI: Will the Minister of TEXTILES be pleased to state:

(a) whether textile companies face rightsizing as they are facing reduction in demand as overseas orders shrink;

(b) whether the textile export to US are facing payment defaults;

(c) whether his Ministry also feels that the textile export target will not be achieved; and

(d) if so, to what extent global financial crisis have also affected textile and what are concrete measures and steps being taken to improve the textile exports?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Textiles Export Promotion Council/bodies have been reporting substantial slow down in demand from overseas markets especially from Europe and the US. Subsequently, the domestic industry sources also have been reporting production cuts and capacity under utilization.

(b) The exporters to the US have been reporting about payment defaults. There are also instances where the overseas buyers have been asking for price reduction and have delayed payments.

(c) and (d) The exports of textiles and clothing products from India have increased steadily during the last five years from US$ 13.5 billion in 2003-04 to US$ 22.13 billion in 2007-08 – US$ 13.5 billion in 2003-04, US$ 14.03 Billion in 2004-05, US$ 17.08 billion in 2005-2006, US$ 19.15 billion in 2006-07 and US$ 22.13 billion in 2007-08. However, due to economic slowdown, exports of textiles and clothing may fall short of the target during the current year. USA, which is India's single largest market for textiles and clothing products, and many other major buyer countries have been facing economic slow down leading to adverse impact on India's exports.

The likely shortfall in achieving the target is attributable to general decrease in the volume of imports of textiles and clothing by the major buyer countries and erosion of competitive edge of the exporters in the global markets due to high domestic transaction costs and incidences of multiple duties and taxes. Government have recently announced relief packages for exporters to counter the slow down in exports following the global financial crises, which include reduction in interest rates on export finance, increased fund allocation for textiles etc.